



Financial Management of Monetary Gifts

Lawrence Berkeley

National Laboratory

Financial Policies and Procedures

Part I - Chapter 4.14

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Primary contact:	General Accounting

Summary

The purpose of this policy is to define the requirements for the financial management and implementation of monetary gifts accepted for research at Lawrence Berkeley National Laboratory (LBNL).

The Sponsored Projects Office (SPO) is designated as the Gifts Office for the overall solicitation and acceptance of gifts (see [RPM 1.17, "Solicitation and Acceptance of Gifts"](#)).

The General Accounting Office has oversight of the financial processing of monetary gift activities (see Roles and Responsibilities below).

The [LBNL Gift Policy and Procedures](#) describes the implementation of RPM 1.17, "Solicitation and Acceptance of Gifts", which includes non-monetary gifts, such as equipment.

Policy

Use of gift funds must comply with DOE criteria as stipulated in the DOE/LBNL Contract 31 and LBNL RPM 1.17; and may not be used to augment any federally funded research. Funds used must be consistent with the stated purpose designated by the donor.

Each gift will be accounted for and managed as an independent source of funds with controls established to ensure that costs and obligations do not exceed the amount of the gift. Gift funds should be spent in accordance with the same terms and conditions as federally expended funds (i.e., cannot be used to purchase unallowable items and costs cannot exceed the amount of gift funds received).

Gift Assessments and Interest

Assessments

Each monetary gift will be charged a 5% assessment, upon receipt and acceptance at LBNL.

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Interest

Each gift will earn interest at the current market rate, based upon the unexpended balance of the gift during the previous quarter, and will be credited to the gift project.

Costs in Excess of Gift Award

In the event the cost of a gift award exceeds funding, it is the responsibility of the Division Director to propose appropriate alternate non-DOE sources of Division funding. This is subject to senior LBNL management review, and requires an executive summary consisting of the following elements:

- Identification and cause of the issue
- Division/institutional response
- Corrective actions

Following is the hierarchical process for identification of appropriate alternate funding sources to be applied:

- Division sources of funds
 - Royalties
 - Gifts
 - Interest earned
- Gift assessment fee
- Institutional sources
 - Pre-fee deduction (reducing the following year's Contractor Directed Research and Development [CDRD] allocation)

Cost Accounting Treatment

As defined in Contract 31, [Clause H.27](#), gift funds are part of LBNL's Contractor-Funded Institutional Supporting Research and Development Program. Under this program, the following burdens (indirect costs) apply:

- Organization
- Payroll
- Procurement
- Sales tax
- Travel

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Roles and Responsibilities

Sponsored Projects Office

- Determines if the gift is appropriate or is a sponsored research project
- Obtains DOE approval of gifts over the DOE authorized level or gifts from donors that also have an active sponsored research award in place
- Accepts gifts in accordance with RPM 1.17 (including donor's gift letters).
- Obtains gift acceptance from Laboratory Director or University of California Office of the President (UCOP) and sends Laboratory Director's acknowledgement letter to donor
- Sends a copy of the gift letter to General Accounting, Principal Investigator and the Division
- Upon notification from General Accounting that the gift check cleared or wire was received, completes the gift acceptance process, and authorizes the gift award in the Research Administration Proposal Information Database (RAPID)
- Issues the Sponsored Project Award Authorization (SPAA) and submits a copy to General Accounting, Accounts Receivable, Budget Office, and the Division
- Provides required gift reporting to DOE

Division

- Ensures funds are used consistent with the stated purpose designated by the donor
- Ensures funds are spent in accordance with the same terms and conditions as federally expended funds
- Manages the gift award within its funding limits
- Establishes controls to ensure costs and obligations do not exceed the gift award
 - Monitors costs incurred against the gift award
 - Corrects errors and resolve issues as they occur to ensure gift award balances are in good standing
- Works with the Budget Office to resolve any overcosted gift award by the following month end

Disbursements (Accounts Payable)

- Sends gift check from donor to General Accounting for deposit

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General Accounting

- Sends copy of gift check to SPO
- Establishes and maintains gift system chart fields (i.e., account numbers, B&R codes, resource categories, project and resource types, DOE reporting codes)
- Manages allocation of cash between various depository accounts
- Charges gift assessment (5% of each gift) upon receipt and acceptance of gift
- Has accounting oversight of the gift assessment account
- Manages allocation of interest income to individual gifts
- Reconciles monetary gift related general ledger accounts
- Reconciles the gift account, Short Term Investment Pool (STIP) gift bank account and gift assessment account

Budget Office

- Opens gift projects at the request of the Division
- Prepares monthly gift funding status report and uploads to G:/Public folder
- Reviews Gift Status Report monthly and identifies awards in which costs exceed funding
 - Follows up with the Division Resource Analyst if an overcost occurs
 - Reviews unresolved balances with senior management

Accounts Receivable

- Upon request from SPO, sets up "Customer" in the Laboratory's PeopleSoft Billing and Accounts Receivable (BAR) system for Donors for the processing of Gifts
- Upon receipt of SPAA from SPO, sets up minimal Gift Award information of name, and gift amount in BAR

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Authority

- Department of Energy Contract 31
- University of California Development Manual
<http://www.ucop.edu/ucophome/policies/devpol/>
- UCOP Delegation of Gift Acceptance Authority to the Berkeley Lab Director
- LBNL [RPM 1.17 Solicitation and Acceptance of Gifts](#)
- LBNL [RPM 6.03 \(H\) Property Management, Property Acquired as a Gift](#)

Contacts

- Manager, Sponsored Projects Office (for solicitation and acceptance of all gifts)
- Manager, General Accounting (for financial processing of monetary gifts)

Glossary

- **BAR:** The Laboratory's PeopleSoft Billing and Accounts Receivable System.
- **Chart fields:** LBNL general ledger account numbers, B&R codes, resource categories, project and resource types, and DOE reporting codes.
- **Gift:** A gift is anything of assignable value that is voluntarily and legally transferred to the Laboratory's ownership and possession. A gift is a contribution to the Regents of the University of California that is donative in intent, bestowed voluntarily and without expectation of tangible compensation for which, in general, contractual or other requirements are not imposed.

Gifts are awarded irrevocably. Gifts are not Work for Others (WFO), nor an extramural contract or grant; and therefore, impose no contractual requirements. Any proposed gift must support the scientific mission of the Laboratory.